

A.D. 3.4, Inventory Control

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1. Policy. The Department of Correction shall maintain standardized, accurate and complete inventory records for the acquisition, transfer, and disposal of all real property, capitalized personal property, and state controllable property to establish accountability and safeguard the State's investment.
2. Authority and Reference.
 - A. Connecticut General Statutes, Sections 4-33a, 4-36 and 18-81.
 - B. State of Connecticut Office of the Comptroller, Property Control Record Procedure Manual.
 - C. State of Connecticut, Office of the Comptroller, State Accounting Manual.
 - D. American Correctional Association, Standards for Adult Correctional Institutions, Third Edition, January 1990, Standard 3-4037.
 - E. American Correctional Association, Standards for Adult Local Detention Facilities, Third Edition, March 1991, Standard 3-ALDF-1B-10.
 - F. American Correctional Association, Standards for Administration of Correctional Agencies, Second Edition, April 1993, Standard 2-CO-1B-08.
3. Definitions. For the purposes stated herein, the following definitions apply:
 - A. Building. A roofed and walled structure built to house persons, animals or property.
 - B. Building Service Systems. Any article or attachment with a relatively long life but shorter than the life of the building to which it is affixed including wiring, computer and network cabling, electrical fixtures, plumbing, elevators, heating, ventilation and air conditioning (HVAC) systems, alarm systems and stationary telecommunication equipment.
 - C. Capitalized Personal Property. Any equipment (moveable machinery, tools, furniture, or vehicles) with a normal useful life of more than one (1) year and a value of \$1,000 or more including any books or sets of books, software and licenses.
 - D. Controllable Property. Controllable property is tangible property with a unit value between \$200 and \$1,000, and an expected useful life of one (1) or more years, requires identity and control, and is susceptible to loss.
 - E. Fixed Equipment. Fixtures which are permanently attached to and made part of a building and which cannot be removed without damaging walls, ceilings or floors, built-in benches, cabinets, counters, tables, lockers, conveying systems, fume hoods, refrigeration piping and machinery, built-in shelving and autoclaves, sterilizers and washers.
 - F. Improvements to Leased Property. Any renovation or upgrading of property leased by the State.
 - G. Land. Ground, earth/soil and the water thereon for which the State has title.
 - H. Non-Controllable Property. Tangible property with a unit value

less than \$1,000, has an expected useful life of one (1) or more years and is not categorized within the Department Controllable Property List.

- I. Real Property. Land and rights therein, ground improvements, utility distribution systems, buildings and structures owned by the State of Connecticut.
 - J. Renovation, Additions and Repairs to Real Property. Any improvement made to a building which extends its useful life and/or which increases the economic benefits to be derived from an asset.
 - K. Site Improvement. Improvements which increase the value of the original property such as paving, landscaping, fencing, and lighting.
4. Property Control Officer. The Director of Fiscal Services in consultation with the Unit Administrator shall appoint a Property Control Officer for the respective unit. The Property Control Officer, under the direction of the Unit Administrator and in conjunction with the Director of Fiscal Services or designee, shall be responsible for the following:
- A. Record and document the location and condition of all property assigned to the Unit.
 - B. Complete and sign an annual physical inventory of all property assigned to the unit.
 - C. Report the results of that inventory to the Fiscal Services Unit in the required format.
 - D. Record all adjustments of loaned property consistent with Section 11 of this Directive.
5. Director of Fiscal Services. The Director of Fiscal Services shall be responsible for the following:
- A. Establish and maintain the Department's Property Control Record System.
 - B. Provide training, copies of Unit property control records, and support to Property Control Officers in maintaining the Unit physical inventory.
 - C. Prepare and submit the Annual Fixed Assets/Property Inventory Report-GAAP Reporting Form CO-59, Attachment A.
 - D. Report all losses and/or damage to real and personal property using Report of Loss or Damage to Real and Personal Property Form CO-853, Attachment B, and modify inventory accordingly.
 - E. Report all recovered property and modify inventory accordingly.
6. Property Control Systems. The BOSS Property Inventory System, incorporating Bar Code Tags, shall be used for Capitalized personal and Controllable property accountability and reporting.
7. Property Control Records. A separate record shall be established and maintained on a continual basis for all property owned by or in the custody of a department of the following categories:
- A. Real Property - land, buildings and site improvements;
 - B. Controllable and Capitalized Personal Property;
 - C. Materials and goods-in-process;

- D. U.S. Government property;
 - E. Property on loan from Federal Agencies;
 - F. Property acquired in whole or in part with Federal funds;
 - G. Leased or on-loan property not owned by the State;
 - H. Stores and supplies (perpetual/continuous);
 - I. Motor Vehicles owned by the State and in custody of the facility;
 - J. Software;
 - K. Books, maps and records which are affiliated with a library;
 - L. Fine arts; and;
 - M. Other Property acquired by the Department (e.g., Welfare and Activity Fund, federal surplus property).
8. Controllable Property. Controllable assets shall be excluded from being reported on the Comptroller's Form CO-59, but shall be inventoried on an annual basis. Bar code tags will be applied in the same manner as capitalized equipment items but shall be identified separately in the Inventory System. Examples of controllable items that shall be coded as commodities using the applicable object code (03-070; 03-080; 03-100; 03-130; 03-150; 03-180, Extension 1) include, but are not limited to, (1) air conditioners; (2) audio visual equipment (television's, VCR's, Camcorders, Projectors); (3) cameras; (4) computers and accessories (monitors, printers, external drives, modems and scanners); (5) exercise equipment; (6) facsimile machines; (7) firearms (ANY VALUE); (8) portable generators; (9) laminators; (9) measuring and metering devices; (10) metal detectors; (11) microwaves; (12) musical instruments and public address equipment; (13) radios; (14) scientific equipment; (15) shop equipment; (16) shredders; (17) small expensive tools; (18) cellular telephones; and (19) typewriters.
9. Non-Controllable Property. Tangible property with a unit value less than \$1,000, which has an expected useful life of one or more years and is not categorized within the Department Controllable Property List shall be coded using the applicable object code (03-070; 03-080; 03-100; 03-130; 03-150; 03-180, Extension 00). These items are not recorded on the Property Control Record nor on the Comptroller Form CO-59. These items shall be identified with a non-numerical tag, distinguishing them as agency property (e.g., chairs, tables, desks, etc).
10. Equipment Component Parts. A component part shall be considered to be a part of a unit of equipment when it cannot be used independently of the remaining piece of equipment or is physically connected to the major asset (e.g., computer monitors are considered a non-component part of the CPU/Keyboard system and shall be considered controllable, if applicable). Other boards and ancillary equipment which increase the functions of the PC (none of which can be used independently) shall be included in the capitalization of the CPU. The total cost of all the component parts shall be inventoried as one unit and assigned one tag number.
11. Loan Procedures for Equipment. State equipment shall only be loaned out in order to conduct State business. Written approval shall be obtained from the unit head.
- A. Equipment may be loaned if the unit head is convinced that the removal of such equipment will not:

1. interfere with the normal operation of the agency;
2. cause unreasonable wear and tear on the equipment;
3. cause expense to be incurred by the agency; and
4. provide for profit-making activities.

B. Record of Equipment on Loan Form CO-1079 (Attachment C) shall be completed for this purpose.

12. Group Control Items. Multiple quantity purchases which meet the criteria for "controllable" shall be recorded and tagged individually.

13. Books, Maps and Records. Any unit which maintains a library shall be required to include, as part of their inventory, single books or sets of books (multiple volumes) costing over \$1000. These items must be tagged and inventoried as part of the unit inventory as capitalized property. Those items with a unit value greater than \$200 and less than \$1,000, with a useful life of one or more years are considered controllable property.

14. Depreciation. Depreciation of State assets is limited to proprietary and internal service funds. It shall be calculated using the straight-line method on a yearly basis.

15. Real Property-Land and Buildings. A separate record of all State owned real property shall be maintained and contain the following for:

A. Land. (Attachment D)

1. name of town;
2. town number;
3. location of plot;
4. date of acquisition;
5. method of acquisition;
6. complete expenditure coding;
7. original cost;
8. appraised by;
9. dimensions;
10. local zoning code;
11. additional costs;
12. deed;
13. date of disposal;
14. manner of disposal;
15. amount received; and
16. miscellaneous

B. Buildings. (Attachment E)

1. name of building;
2. number of Building (map or DPW No.);
3. address;
4. town number;
5. date of acquisition;
6. method of acquisition;
7. complete expenditure coding;
8. original cost;
9. appraised by;

10. fire code;
11. construction code; and
12. sprinklers (Is there a sprinkler system? Yes or No).

C. Real Property Inventories. In addition to the annual report required by the Comptroller, a copy of land and building inventories shall be sent to the Director of Engineering Services.

16. Capitalized Personal Property. Includes all furnishings and equipment contained in a building or on the premises of state property except those items used for the actual service of the building itself. Items include but not limited to: data processing equipment, movable telecommunication equipment, office machinery, furniture, mobile equipment (e.g., lawn mowers, tractors, etc.) and any other machinery or equipment necessary to the particular use of a building or property. Excludes equipment which has a license plate and is registered with Department of Motor Vehicles.

A. BOSS Inventory System Property Control Record. Shall contain the following data for each item:

1. equipment ID number (tag assigned by Fiscal Services Unit);
2. item description;
3. purchase order number;
4. manufacturer serial number;
5. capitalization flag (Y or N);
6. building code;
7. room number;
8. class code;
9. vendor name, type of acquisition, or unknown;
10. cost (actual cost and ancillary charges; including installation, freight, transportation charges, site preparation expenses, professional fees, legal claims), fair market value, or estimated cost;
11. date acquired;
12. estimated life (useful life in months);
13. accounting code string (includes fund, SID, CFDA number);
14. date of disposition (from Form DPS-38);
15. method of disposition (from Form DPS-38); and
16. status - condition of item (DPS-38 codes).

17. Department Owned Motor Vehicles. Automobiles, buses, and trucks inventory records shall be maintained under this category.

A. Property Control Record. Shall contain the following information for each item:

1. year, make and model;
2. vehicle identification number (VIN);
3. serial number;
4. type of body;
5. type of engine;
6. registration number;
7. state license plate number;
8. purchase from (date, name and address);
9. additional equipment(permanently affixed to the vehicle or

- an item that would not customarily be a part of the vehicle);
 - 10. gross cost;
 - 11. date and contract award number;
 - 12. assigned driver, where appropriate;
 - 13. permanently garaged at;
 - 14. date of disposition;
 - 15. method of disposition; and
 - 16. amount received or trade-in value.
- 18. Software Inventory. The Director of Research and M.I.S. shall be responsible for software inventory. A central software inventory shall be established for each unit, to control all of the Master Software Diskettes, documentation and related items. Each original software diskette shall be maintained with a copy of its operational manual. Capitalized software is to be reported on Comptroller Form CO-59 under "Exception" category.
 - A. Records shall contain the following data:
 - 1. assigned identification number;
 - 2. title of software;
 - 3. description - software name or functional application;
 - 4. version;
 - 5. manufacturer;
 - 6. software serial/registration number (if available);
 - 7. acquisition type (purchased, donated or gift);
 - 8. acquisition detail - purchase order number, donation/gift source;
 - 9. initial installation date;
 - 10. location and ID number of CPU device;
 - 11. cost - required field if \$1,000; and
 - 12. disposal - upgrade (give Serial number) or destroyed.
 - B. A physical inventory of all software shall be taken by a unit at the end of each fiscal year. One (1) copy shall be sent to the Director of Research and M.I.S. who shall (if requested) provide a copy to OPM-Office of Information Technology. The original shall be retained by the unit.
- 19. Stores and Supply Inventory. A separate perpetual (continuous) inventory shall be maintained for stock items and supplies, used and consumed in the daily operations of an agency, such as food, office supplies, perishables, table or bed linens, dishes, small tools, appliances, and articles of a similar nature shall be recorded on a separate register page, in total, for each building. The inventory system should contain the following data: item type; location; maximum number that should be on hand; minimum number that should be on hand before reordering; date column; purchased column (quantity received, unit cost, total dollar value); distributed column (units distributed, unit cost, total dollar value) balance column (units available, unit cost, total dollar value).
- 20. Inventory Modifications.
 - A. Additions. All assets recorded during the fiscal year, purchases

of new as well as used assets, all donated assets and assets acquired through capital leases shall be added to the ongoing inventory consistent with Section 6 of this Directive. A Department bar code identification number shall be assigned to each item of equipment received. The identification number shall be recorded on the receiving report. Any serial number which is permanently affixed, shall also be recorded. Additions shall include transfers from the State Surplus Center during the fiscal year. Additions shall be recorded at property original cost or fair market value.

Capitalized Personal and Real Property "Additions" recorded during the reportable fiscal year shall be annotated on the Comptroller Form CO-59, column 3. Additions reported on the Comptroller CO-59 must reconcile to records maintained on the BOSS Property Inventory System, supported by file records.

- B. Transfers. Any movement of an asset by virtue of change in location, either by department, building, floor shall constitute a transfer. All requests for transfer shall be authorized by a unit head or the division head and submitted to the Property Control Officer. A written record of property transfers shall be initiated for records adjustments and retained for audit-trail utilizing Form COR-INV1, Inventory Transfer Request Form.

- C. Deletions/Dispositions. Any requests for the deletion and/or disposition of property, to include property transferred, scrapped or surplus, shall be submitted on Request for Disposal of Surplus Property, Form DPS-38, (Attachment F), through the Property Control Officer to the Department of Administrative Services, State Surplus Property Center.

Capitalized Personal and Real Property "Deletions" recorded during the reportable fiscal year shall be annotated on the Comptroller Form CO-59, column 4. Deletions reported on the Comptroller CO-59 must reconcile to records maintained on the BOSS Property Inventory System, supported by file records.

- D. Record of Disposed Equipment. A Certificate of Destruction or Abandonment Form (Attachment G), shall be initiated dependent upon Form DPS-38 condition assignment of scrap. The DPS-38 number shall be annotated on this form. The original shall be forwarded to Department of Administrative Services Surplus Property Center and a copy retained for permanent record. The transaction will be treated as a Disposal entry on the BOSS Property Inventory System and a Deletion adjustment to the CO-59 Report.

Under no circumstances shall any item of Real or Personal property belonging to the State of Connecticut be destroyed or disposed of without an approved Request for Disposal of Surplus Property Form DPS-38 (Attachment F).

21. Posting Property Control Records and Reconciliation. The BOSS Property Inventory System shall be used to update the Department's property inventories.

- A. Posting shall be done directly from a copy of the source document. Only an individual designated by the Fiscal Unit shall be authorized to make entries or adjustments to the inventory system.
 - B. Reconciliation of BOSS Property Inventory records shall be made upon completion of physical inventories. Appropriate written documentation will be completed if adjustments or losses shall be identified.
22. Reporting of Loss or Damage to Real and Personal Property. The Office of the State Comptroller and the Auditors of Public Accounts shall be notified immediately of all losses/damages to State property upon discovery.
- A. Report of Loss or Damage to Real and Personal Property Form CO-853 (Attachment B), shall be used to report all property other than vehicles pertaining to theft, vandalism, criminal malicious damage, missing property (cause unknown) or damages caused by wind, fire or lightning.
 - B. Report of Loss or Damage to State-Owned Automobile, Form CO-854 (Attachment H), shall be used to report motor vehicle losses/damages to State-owned or leased automobiles pertaining to theft, vandalism, glass breakage of all types, and/or other loss caused by outside forces, and wind, fire or lightning.
 - C. A copy of all reports shall be forwarded to the Director of Fiscal Services. Missing capital property or capital property lost due to theft shall be deleted from the BOSS Property Inventory Record and adjustment made to CO-59, column 4, Deletions. The report shall become a permanent record of the annual CO-59 Fixed Assets Report. In addition, the Connecticut State Police shall be notified if the loss or damage appears to have been caused by criminal action.
 - D. Controllable property missing or lost due to theft, shall be deleted from the BOSS Property Inventory Record. A copy of Form CO-853, Report of Loss or Damage, should be forwarded to the Director of Fiscal Services.
23. Physical Inventories. A physical inventory of the property in each unit shall be taken by the end of the fiscal year or on an ongoing process throughout the year to insure that property control records accurately reflect the actual inventory on hand. Property control records shall be updated for any item not previously reported or inadvertently omitted. The Unit Administrator in consultation with the Director of Fiscal Services shall sign the Unit's physical inventory certifying it as complete and accurate.
- A. Inspection. The Property Control Officer or Fiscal Services staff conducting the inventory shall inspect the physical condition of each item with respect to the need for repairs, maintenance, replacement or surplus.
 - B. Evaluation. The physical inventory shall be used to identify losses not previously revealed and determine any weaknesses in inventory controls.
24. Annual Reports. The Director of Fiscal Services shall transmit to the Office of the State Comptroller by August 1 of each year a detailed inventory report of all real and personal property in the unit's

possession as of the close of the fiscal year on June 30. The reports shall be co-signed by the Director of Fiscal Services and the Unit Administrator to assure their accuracy. A copy of the inventory reports shall be sent to the Deputy Commissioner of Operations.

A. Required Forms.

1. Tabulated Listing of Land, (Attachment D) ;
2. Tabulated Listing of Buildings and Contents (Attachment E) ;
3. Fixed Assets/Property Inventory Report-GAAP Reporting Form, CO-59, (Attachment A) ; and
4. Summary of Motor Vehicle Report, CO-648B, (Attachment I) .

25. Exceptions. Any exception to the procedures in this Directive shall require prior written approval from the Commissioner.